



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2008
OF THE CONDITION AND AFFAIRS OF THE

CareFirst BlueChoice, Inc.

NAIC Group Code	0380	0380	NAIC Company Code	96202	Employer's ID Number	52-1358219
	(Current Period)	(Prior Period)				
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []	Hospital, Medical & Dental Service or Indemnity []		
	Dental Service Corporation []		Vision Service Corporation []	Health Maintenance Organization [X]		
	Other []		Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated/Organized	06/22/1984		Commenced Business	03/01/1985		
Statutory Home Office	840 First Street, NE		Washington, DC 20065			
	(Street and Number)		(City, State and Zip Code)			
Main Administrative Office	10455 Mill Run Circle		Owings Mills, MD 21117	410-581-3000		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	10455 Mill Run Circle		Owings Mills, MD 21117			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	10455 Mill Run Circle		Owings Mills, MD 21117	410-998-7011		
	(Street and Number)		(City, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Website Address	www.carefirst.com					
Statutory Statement Contact	William Vincent Stack		410-998-7011			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	bill.stack@carefirst.com		410-998-6850			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	Name	Title
Jon Paul Shematek, M.D.	President	Lisa Marlene Myers	Secretary
Jeanne Ann Kennedy	Treasurer	Joseph Petralia	Assistant Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

David Donald Wolf	Gregory Mark Chaney	Gregory Allen Devou	Teresa Gardner Harrison
John Edward Herold	Robert Isaac Jeffrey	John Anthony Picciotto	Jon Paul Shematek, M.D.

State of
County of SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Jon Paul Shematek, M.D. President	Lisa Marlene Myers Secretary	Jeanne Ann Kennedy Treasurer
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a. Is this an original filing? Yes [X] No []

b. If no,

1. State the amendment number

2. Date filed

3. Number of pages attached

Subscribed and sworn to before me this _____ day of _____,

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	424,244,482		424,244,482	398,210,891
2. Stocks:				
2.1 Preferred stocks	3,944,902		3,944,902	3,566,467
2.2 Common stocks	48,491,030		48,491,030	54,539,129
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (1,371,335)), cash equivalents (\$ 0) and short-term investments (\$ 49,444,812)	48,073,477		48,073,477	52,886,279
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	152,462	152,462	0	212,835
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	524,906,353	152,462	524,753,891	509,415,601
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	3,544,548		3,544,548	3,987,014
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	38,473,399		38,473,399	38,676,867
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts	773,783		773,783	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	7,368,565	0	7,368,565	0
16.2 Net deferred tax asset	7,864,569	1,125,111	6,739,458	2,755,264
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	8,622,629		8,622,629	11,016,633
22. Health care (\$ 60,338,237) and other amounts receivable	63,081,912	2,743,675	60,338,237	57,812,066
23. Aggregate write-ins for other than invested assets	3,453,263	1,819,745	1,633,518	81,884
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	658,089,021	5,840,993	652,248,028	623,745,329
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	658,089,021	5,840,993	652,248,028	623,745,329
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. State Tax Recoverable	1,633,518		1,633,518	81,884
2302. Other Assets Not Admitted-Prepaid Expenses	1,819,745	1,819,745	0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	3,453,263	1,819,745	1,633,518	81,884

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	144,308,432	8,608,797	152,917,229	123,281,887
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	5,044,092	300,908	5,345,000	5,195,000
4. Aggregate health policy reserves	15,622,972		15,622,972	15,622,972
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	49,376,716		49,376,716	47,987,183
9. General expenses due or accrued	22,671,045		22,671,045	23,976,948
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	7,440,433
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	32,625		32,625	321,695
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	51,357
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$678,095 current)	1,230,183	0	1,230,183	446,550
22. Total liabilities (Lines 1 to 21)	238,286,065	8,909,705	247,195,770	224,324,025
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	10,000	10,000
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	50,615,750	50,615,750
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	354,426,508	348,795,554
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24) \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25) \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	405,052,258	399,421,304
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	652,248,028	623,745,329
DETAILS OF WRITE-INS				
2101. Reinsurance Payable	678,095		678,095	0
2102. Amounts held for escheatment to state	552,088		552,088	446,550
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	1,230,183	0	1,230,183	446,550
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	5,301,725	5,669,178	7,620,204
2. Net premium income (including \$ non-health premium income).....	XXX	1,299,279,398	1,175,626,845	1,591,324,597
3. Change in unearned premium reserves and reserve for rate credits	XXX		.0	(3,607,872)
4. Fee-for-service (net of \$ medical expenses)	XXX		.0	.0
5. Risk revenue	XXX	102,827	679,887	915,604
6. Aggregate write-ins for other health care related revenues	XXX	.0	.0	.0
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	1,299,382,225	1,176,306,732	1,588,632,329
Hospital and Medical:				
9. Hospital/medical benefits	42,021,749	825,785,362	706,473,064	941,360,839
10. Other professional services		20,441,338	18,877,669	25,106,447
11. Outside referrals	7,776,209	7,776,209	7,993,951	10,636,483
12. Emergency room and out-of-area	11,941,133	63,107,180	53,797,371	73,087,486
13. Prescription drugs		179,555,420	153,254,844	209,068,984
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		.0	.0	.0
16. Subtotal (Lines 9 to 15)	61,739,091	1,096,665,509	940,396,899	1,259,260,239
Less:				
17. Net reinsurance recoveries		(3,159,190)	.0	.0
18. Total hospital and medical (Lines 16 minus 17)	61,739,091	1,099,824,699	940,396,899	1,259,260,239
19. Non-health claims (net).....			.0	.0
20. Claims adjustment expenses, including \$ 9,632,749 .....cost containment expenses.....		38,503,494	34,812,953	46,867,230
21. General administrative expenses.....		166,139,922	147,866,035	202,550,860
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			.0	.0
23. Total underwriting deductions (Lines 18 through 22)	61,739,091	1,304,468,115	1,123,075,887	1,508,678,329
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(5,085,890)	53,230,845	79,954,000
25. Net investment income earned		18,105,664	16,650,059	22,542,246
26. Net realized capital gains (losses) less capital gains tax of \$881,094		3,524,375	(1,088,902)	(307,616)
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	21,630,039	15,561,157	22,234,630
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$).....			.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	202,345	120,705	129,018
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	16,746,494	68,912,707	102,317,648
31. Federal and foreign income taxes incurred	XXX	(2,714,180)	15,219,336	21,718,326
32. Net income (loss) (Lines 30 minus 31)	XXX	19,460,674	53,693,371	80,599,322
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Miscellaneous Income.....		202,345	120,705	129,018
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	202,345	120,705	129,018

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year	Prior Year	Prior Year
	to Date	to Date	
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	399,421,305	322,094,847	322,094,846
34. Net income or (loss) from Line 32.....	19,460,674	53,693,371	80,599,322
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ (3,170,627).....	(12,892,110)	(328,092)	(4,491,423)
37. Change in net unrealized foreign exchange capital gain or (loss).....	(224,422)	0	387,734
38. Change in net deferred income tax.....	1,938,678	1,201,782	1,488,525
39. Change in nonadmitted assets.....	(2,651,867)	17,931	(657,699)
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital & surplus (Lines 34 to 47).....	5,630,953	54,584,992	77,326,459
49. Capital and surplus end of reporting period (Line 33 plus 48)	405,052,258	376,679,839	399,421,305
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	1,300,472,735	1,589,102,033
2. Net investment income	18,848,757	21,802,004
3. Miscellaneous income	102,827	915,604
4. Total (Lines 1 to 3)	1,319,424,319	1,611,819,641
5. Benefits and loss related payments	1,073,475,814	1,261,792,865
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	205,596,974	250,023,754
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$881,094 tax on capital gains (losses)	12,975,912	15,283,504
10. Total (Lines 5 through 9)	1,292,048,700	1,527,100,123
11. Net cash from operations (Line 4 minus Line 10)	27,375,619	84,719,518
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	551,633,951	611,843,407
12.2 Stocks	36,845,314	55,627,260
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(439)	19,567
12.7 Miscellaneous proceeds	0	2,738,905
12.8 Total investment proceeds (Lines 12.1 to 12.7)	588,478,826	670,229,139
13. Cost of investments acquired (long-term only):		
13.1 Bonds	572,665,758	682,290,920
13.2 Stocks	43,707,712	47,485,430
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	4,591,227	2,676,334
13.7 Total investments acquired (Lines 13.1 to 13.6)	620,964,697	732,452,684
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(32,485,871)	(62,223,545)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	297,350	(2,693,379)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	297,350	(2,693,379)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(4,812,902)	19,802,594
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	52,886,379	33,083,785
19.2 End of period (Line 18 plus Line 19.1)	48,073,477	52,886,379

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	656,623	28,926	471,802	.0	.0	139,200	16,695	.0	.0	.0
2 First Quarter	652,359	29,369	474,114	.0	.0	130,602	18,274	.0	.0	.0
3 Second Quarter	557,464	29,904	482,141	.0	.0	26,525	18,894	.0	.0	.0
4. Third Quarter	564,132	29,803	488,733			26,013	19,583			
5. Current Year	.0					.0				
6 Current Year Member Months	5,301,725	266,227	4,312,300			554,864	168,334			
Total Member Ambulatory Encounters for Period:										
7. Physician	2,173,883	103,018	1,978,663				92,202			
8. Non-Physician	220,164	9,599	200,503				10,062			
9. Total	2,394,047	112,617	2,179,166	.0	.0	.0	102,264	.0	.0	.0
10. Hospital Patient Days Incurred	98,335	4,310	87,776				6,249			
11. Number of Inpatient Admissions	26,071	1,277	23,562				1,232			
12. Health Premiums Written	1,293,936,090	47,494,564	1,176,470,620			10,643,611	59,327,295			
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	1,293,936,090	47,494,564	1,176,470,620			10,643,611	59,327,295			
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	1,067,214,066	43,917,542	962,405,756			7,892,737	52,998,031			
18. Amount Incurred for Provision of Health Care Services	1,096,665,508	43,817,442	988,892,299			7,537,736	56,418,031			

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

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UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	109,374,159	922,354,273	4,655,900	139,347,604	114,030,059	117,617,061
2. Medicare Supplement					0	0
3. Dental Only	699,982	10,168,045	9,686	574,039	709,668	754,826
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	5,070,648	47,927,383	204,500	8,125,500	5,275,148	4,910,000
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other Health					0	0
9. Health Subtotal (Lines 1 to 8).....	115,144,789	980,449,701	4,870,086	148,047,143	120,014,875	123,281,887
10. Healthcare receivables (a)		25,405,134			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals	115,144,789	955,044,567	4,870,086	148,047,143	120,014,875	123,281,887

(a) Excludes \$ 34,933,103 loans and advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

No change.

B. Use of Estimates in the Preparation of the Financial Statements

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

No change.

3. Business Combinations and Goodwill

No change.

4. Discontinued Operations

No change.

5. Investments

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

No change.

8. Derivative Instruments

No change.

9. Income Taxes

The components of the net deferred tax asset recognized in the Company’s Assets, Liabilities, and Capital and Surplus are as follows:

					Sep. 30, 2008	Dec. 31, 2007
Total of gross deferred tax assets					\$7,868,600	\$4,568,093
Total of deferred tax liabilities					(4,031)	(1,812,829)
Net deferred tax asset					7,864,569	2,755,264
Deferred tax asset nonadmitted					(1,125,111)	0
Net admitted deferred tax asset					6,739,458	2,755,264
(Increase) decrease in nonadmitted asset					\$(1,125,111)	\$0

The provisions for incurred taxes on earnings:

	Sep. 30, 2008	Sep. 30, 2007
Federal provision	\$(2,714,180)	\$15,219,336
Federal income tax on net capital gains(loss)	881,094	(272,225)
Federal income taxes incurred	<u>\$(1,833,086)</u>	<u>\$14,947,111</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	Sep. 30, 2008	Dec. 31, 2007
Deferred tax assets:		
Bad debt	\$754,020	\$273,035

NOTES TO FINANCIAL STATEMENTS

Discounted Unpaid Losses	627,109	501,549
FAS 115	1,362,321	0
Legal Expense	1,018,777	607,257
Deferred Allocation	253,260	0
Unearned Premium	2,236,830	1,883,757
FAS 115 Impairment	926,367	459,760
Other	689,916	842,735
Total deferred tax assets	7,868,600	4,568,093
Nonadmitted deferred tax assets	(1,125,111)	0
Admitted deferred tax assets	6,743,489	4,568,093
Deferred tax liabilities:		
FAS 115	0	(1,808,306)
Other	(4,031)	(4,523)
Total deferred tax liabilities	(4,031)	(1,812,829)
Net Admitted deferred tax assets	\$6,739,458	\$2,755,264

The change in net deferred income taxes is comprised of the following:

	Sep. 30, 2008	Dec 31, 2007	Change
Total deferred tax assets	\$7,868,600	4,568,093	\$3,300,507
Total deferred tax liabilities	(4,031)	1,812,829	1,808,798
Net deferred tax asset(liability)	\$7,864,569	\$2,755,264	5,109,305
Tax effect of unrealized gains(losses)			(3,170,627)
Change in net deferred income tax			\$1,938,678

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Sep. 30, 2008	Effective Tax Rate
Provision computed at statutory rate	\$3,525,518	20.00%
Accounts Receivable	480,985	2.73%
Investments	466,607	2.65%
Change in prior year estimates	(6,133,416)	-34.79%
Unpaid Losses	125,560	0.71%
Other Accrued Expenses	(298,340)	-1.70%
Total	(1,833,086)	-10.40%
Federal income taxes incurred	(1,833,086)	-10.40%
Change in net deferred income taxes	(1,938,678)	-11.00%
Total statutory income taxes	\$(3,771,764)	-21.40%

The Company is included in a consolidated federal income tax return of CareFirst, Inc. The Company has a written agreement, which sets forth the manner in which the total combined federal income tax is allocated to each entity, which is a party to the consolidation. The agreement calls for an allocation based on the Company's pre-tax income after affecting for permanent differences at the alternative minimum tax rates. The federal tax allocation for both 2008 and 2007 was 20 percent of pre-tax income after permanent differences. These amounts are included in provision for income taxes in the accompanying statements of revenue and expenses –statutory basis.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

The Company files separate state income tax returns and records its tax provision or benefit accordingly. The Company recorded state income tax expense (benefit) of \$(144,626) and \$3,070,446 for the period ended September 30, 2008 and Sep 30, 2007, respectively.

10. Information Concerning Parent, Subsidiaries and Affiliates

CareFirst BlueChoice, Inc. (CFBC or the Company) is a state-licensed health maintenance organization (HMO) that provides managed health care products and services to individuals and to employees of business and governmental agencies in the Washington, D.C. metropolitan area and the State of Maryland. Benefits are provided to members through fee-for-service and capitation agreements with local area physicians, hospitals and other health care providers.

NOTES TO FINANCIAL STATEMENTS

The Company is 60% owned by CareFirst of Maryland, Inc. (CFMI) and 40% owned by Group Hospitalization and Medical Services, Inc. (GHMSI). GHMSI and CFMI are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield.

In 2005, the CFI Board also approved certain proposed changes regarding the governance structure of CFI, CFMI and GHMSI. In 2006, all required regulatory and BlueCross BlueShield Association (BCBSA) approvals were obtained to permit the restructuring that creates parity between CFMI and GHMSI, as to their representation on CFI’s Board. Management believes that these changes did not materially impact CFI’s control over CFMI or GHMSI.

On November 1, 2004, the Company completed its acquisition of The Dental Network, Inc. and TDN Administrative Services, LLC (collectively, TDN) which market and administer managed dental benefits. This transaction was accounted for as a statutory purchase. The purchase price and related acquisition costs of approximately \$5,000,000 exceeded TDN’s book value by \$4,475,000. Under the statutory purchase method of accounting, the Company assigned this amount to goodwill. Effective June 20, 2007, one of the Company’s subsidiaries, The Dental Network, Inc. merged into the Company. This transaction was accounted for as a statutory merger under the guidance of NAIC SSAP No. 68, *Business Combinations and Goodwill*. As a result of the merger, the remaining goodwill in connection with the original purchase of TDN was written off. Effective September 20, 2007, the Company formed a new subsidiary called The Dental Network, Inc. to meet the regulatory requirements of selling free standing dental products in the state of Maryland. In March 2008, The Dental Network, Inc. obtained a license to sell insurance products in the state of Maryland from the Maryland Insurance Administration.

For certain fully insured point-of-service health care programs, the Company bears all of the in-network (HMO) underwriting risk and GHMSI bears the out-of-network (indemnity) underwriting risk. Cost of care for these products is charged directly to the Company and GHMSI based upon the nature of the claims incurred. Premiums on these health care programs are allocated between the Company and GHMSI based on actual underwriting results such that the underwriting gain of the health care programs, as a percentage of premiums, is shared equally between the two companies.

11. Debt

Not applicable.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

No change.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

Change in net unrealized capital gains (losses) for the nine months ended September 30, 2008:

Change in the unrealized gain/losses from:	Change
Affiliated Common Stocks:	
Capital Care	\$ (449,577)
TDN	21,236
Unaffiliated Common Stocks	(14,942,869)
Bonds & Preferred Stocks	(686,088)
Partnership Earnings	(5,439)
Total unrealized gains/losses	(16,062,737)
Capital Gains Deferred Taxes	(3,170,627)
Change in net unrealized capital gains (losses) less capital gains tax (Page 5 Ln 36)	\$ (12,892,110)

14. Contingencies

In June 2008, the District of Columbia Attorney General office filed suit against CFI and GHMSI alleging the breach of GHMSI’s federal charter as a “charitable and benevolent” institution. Also, the District of Columbia’s City Council Committee on Public Services and Consumer Affairs (D.C. City Council) launched an investigation of and issued a subpoena to GHMSI and CFI regarding various items including the accumulation of statutory surplus, rate setting, executive compensation, and community benefits. CFI is responding to and working with these parties to provide the information requested. In addition, the D.C. City Council has introduced legislation giving the Mayor authority to cap GHMSI’s statutory surplus needs, impose an additional tax of up to 2% on its premiums and compel the continuation of GHMSI’s open enrollment product in the District of Columbia. CFI is of the opinion that it is in a good position to effectively defend against the Attorney General’s action and to defeat proposed legislation by the City Council even if the proposed legislation is passed.

15. Leases

No change.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit

NOTES TO FINANCIAL STATEMENTS

Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Other Items

No change.

21. Events Subsequent

Not Applicable.

22. Reinsurance

The Company maintains a reinsurance agreement with GHMSI and CFMI providing stop-loss coverage. This coverage does not have an expiration date.

Effective April 1, 2008, the Company entered into a quota-share reinsurance agreement with The Dental Network, Inc. Under the terms of the agreement, the Company assumes all the underwriting risk on the business written by The Dental Network, Inc. For the nine months ending September 30, 2008, the Company assumed revenue in the amount of \$5,362,000 and incurred an underwriting loss in the amount of \$467,000 as a result of this quota-share reinsurance contract.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change.

24. Change in Incurred Claims and Claim Adjustment Expenses

No change.

25. Intercompany Pooling Arrangements

Not applicable.

26. Structured Settlements

Not applicable.

27. Health Care Receivables

No change.

28. Participating Policies

Not applicable.

29. Premium Deficiency Reserve

Not applicable.

30. Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☒ No ☐

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2003
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/18/2005
- 6.4

By what department or departments?
District of Columbia Department of Insurance, Securities and Banking.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?.....

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒
- 11.2

If yes, give full and complete information relating thereto:

.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:\$0
13.

Amount of real estate and mortgages held in short-term investments:\$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☒ No ☐
- 14.2

If yes, please complete the following:

		1		2
		Prior Year-End		Current Quarter
		Book/Adjusted		Book/Adjusted
		Carrying Value		Carrying Value
14.21	Bonds	\$	\$	
14.22	Preferred Stock	\$	\$	
14.23	Common Stock	\$2,654,677	\$2,226,399	
14.24	Short-Term Investments	\$	\$	
14.25	Mortgage Loans on Real Estate	\$	\$	
14.26	All Other	\$	\$	
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$2,654,677	\$2,226,399	
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$	
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SUNTRUST BANK.....	1445 NEW YORK AVE. ,NW.WASHINGTON, DC 20005.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
15958.....	VANGUARD.....	P.O. BOX 2900, VALLEY FORGE, PA. 19482-2900.....
104596.....	DODGE AND COX.....	55 CALIFORNIA ST., SAN FRANCISCO, CA. 94104.....
107105.....	BLACKROCK INVESTMENT ADVISORS.....	100 BELLEVUE PARKWAY, WASHINGTON, DE. 19809.....
10578.....	CALAMOS INVESTMENTS.....	1111 EAST WARRENVILLE, NAPERVILLE, IL 60563-1493.....
NONE.....	STATE STREET GLOBAL ADVISORS.....	1 LINCOLN ST., MA 02111.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

Showing All New Reinsurance Treaties - Current Year to Date

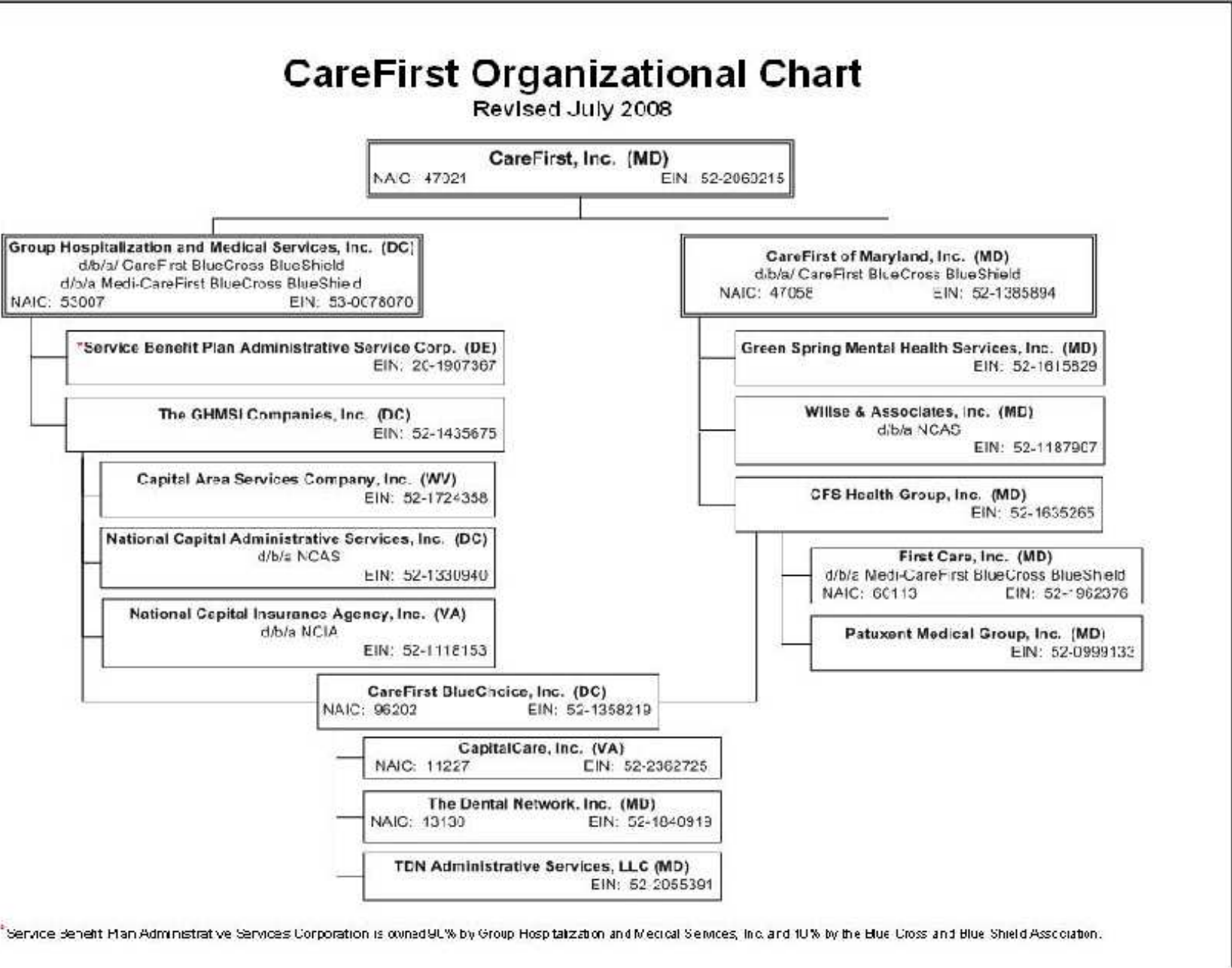
[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
States, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL							.0	
2. Alaska	AK							.0	
3. Arizona	AZ							.0	
4. Arkansas	AR							.0	
5. California	CA							.0	
6. Colorado	CO							.0	
7. Connecticut	CT							.0	
8. Delaware	DE							.0	
9. District of Columbia	DC	L	119,757,021		59,327,295			179,084,316	
10. Florida	FL							.0	
11. Georgia	GA							.0	
12. Hawaii	HI							.0	
13. Idaho	ID							.0	
14. Illinois	IL							.0	
15. Indiana	IN							.0	
16. Iowa	IA							.0	
17. Kansas	KS							.0	
18. Kentucky	KY							.0	
19. Louisiana	LA							.0	
20. Maine	ME							.0	
21. Maryland	MD	L	970,850,098					970,850,098	
22. Massachusetts	MA							.0	
23. Michigan	MI							.0	
24. Minnesota	MN							.0	
25. Mississippi	MS							.0	
26. Missouri	MO							.0	
27. Montana	MT							.0	
28. Nebraska	NE							.0	
29. Nevada	NV							.0	
30. New Hampshire	NH							.0	
31. New Jersey	NJ							.0	
32. New Mexico	NM							.0	
33. New York	NY							.0	
34. North Carolina	NC							.0	
35. North Dakota	ND							.0	
36. Ohio	OH							.0	
37. Oklahoma	OK							.0	
38. Oregon	OR							.0	
39. Pennsylvania	PA							.0	
40. Rhode Island	RI							.0	
41. South Carolina	SC							.0	
42. South Dakota	SD							.0	
43. Tennessee	TN							.0	
44. Texas	TX							.0	
45. Utah	UT							.0	
46. Vermont	VT							.0	
47. Virginia	VA	L	144,001,676					144,001,676	
48. Washington	WA							.0	
49. West Virginia	WV							.0	
50. Wisconsin	WI							.0	
51. Wyoming	WY							.0	
52. American Samoa	AS							.0	
53. Guam	GU							.0	
54. Puerto Rico	PR							.0	
55. U.S. Virgin Islands	VI							.0	
56. Northern Mariana Islands	MP							.0	
57. Canada	CN							.0	
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Subtotal	XXX	1,234,608,795	.0	.0	59,327,295	.0	.0	1,293,936,090	.0
60. Reporting entity contributions for Employee Benefit Plans	XXX							.0	
61. Total (Direct Business)	(a) 3	1,234,608,795	0	0	59,327,295	0	0	1,293,936,090	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.

Bar Code:

1.



96202200836500003

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amount		0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest at December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted accounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE BA – VERIFICATION

Other Long Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	212,835	212,835
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		0
2.2 Additional investment made after acquisitions		0
3. Capitalized deferred interest and other		
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	(60,373)	
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	152,462	212,835
12. Deduct total nonadmitted amounts	152,462	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	212,835

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	456,381,048	398,568,297
2. Cost of bonds and stocks acquired	617,749,748	729,723,102
3. Accrual of discount	410,653	553,053
4. Unrealized valuation increase (decrease)	(14,334,268)	(7,140,610)
5. Total gain (loss) on disposals	7,342,034	2,291,814
6. Deduct consideration for bonds and stocks disposed of	585,208,105	667,353,048
7. Deduct amortization of premium	711,280	502,239
8. Total foreign exchange change in book/adjusted carrying value	(239,828)	240,679
9. Deduct current year's other than temporary impairment recognized	4,709,588	
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	476,680,414	456,381,048
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	476,680,414	456,381,048

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	424,813,933	269,004,496	280,314,618	(5,452,883)	421,490,344	424,813,933	408,050,928	409,843,258
2. Class 2 (a).....	53,243,650	10,264,009	2,593,381	3,719,850	41,641,092	53,243,650	64,634,128	42,334,214
3. Class 3 (a).....	269,140		59,839	664,906	56,901	269,140	874,207	56,893
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0			130,000	.0	.0	130,000	.0
6. Class 6 (a).....	0			31	0	0	31	0
7. Total Bonds	478,326,723	279,268,505	282,967,838	(938,096)	463,188,337	478,326,723	473,689,294	452,234,365
PREFERRED STOCK								
8. Class 1	3,403,059			(653,226)	1,976,324	3,403,059	2,749,833	192,000
9. Class 2	2,145,008		919,080	(30,859)	1,902,981	2,145,008	1,195,069	3,374,000
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	5,548,067	0	919,080	(684,085)	3,879,305	5,548,067	3,944,902	3,566,000
15. Total Bonds and Preferred Stock	483,874,790	279,268,505	283,886,918	(1,622,181)	467,067,642	483,874,790	477,634,196	455,800,365

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	49,444,812	XXX	49,444,576	131,731	

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	..54,023,471	.....32,316,442
2. Cost of short-term investments acquired .....	..115,582,948	.....380,315,494
3. Accrual of discount.....	.....675	.....
4. Unrealized valuation increase (decrease).....	.....	.....19,567
5. Total gain (loss) on disposals.....	.....(439)	.....0
6. Deduct consideration received on disposals.....	.....120,161,843	.....358,628,031
7. Deduct amortization of premium.....	.....	.....
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....0
9. Deduct current year's other than temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....49,444,812	.....54,023,472
11. Deduct total nonadmitted amounts.....	.....	.....0
12. Statement value at end of current period (Line 10 minus Line 11)	49,444,812	54,023,472

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
3134A4-ZY-3	FED HOME LN MTG 5.750% 6/27/		09/09/2008	Various		226,412	225,000	2,623	1
313771-AA-5	FEDERAL HOME LN BK CHICAGO		09/18/2008	Various		219,490	225,000	3,375	1
3133XD-VS-7	FEDERAL HOME LN BKS		09/16/2008	Various		371,028	375,000	5,250	1
3133XK-KW-4	FEDERAL HOME LN BKS		08/25/2008	Various		459,454	455,000	8,527	1
3133XM-Q8-7	FEDERAL HOME LN BKS		09/15/2008	Various		5,378,841	5,050,000	84,868	1
3128X6-KU-9	FEDERAL HOME LN MTG CORP		07/30/2008	Various		461,893	455,000	11,870	1
3137EA-AR-0	FEDERAL HOME LN MTG CORP		09/15/2008	Various		2,849,238	2,700,000	4,631	1
3137EA-BS-7	FEDERAL HOME LN MTG CORP		08/19/2008	Various		399,124	400,000		1
31359M-H8-9	FEDERAL NATL MTG ASSN		09/15/2008	Various		4,300,937	4,000,000	1,667	1
31398A-SD-5	FEDERAL NATL MTG ASSN		09/11/2008	Various		472,654	465,000	3,153	1
31398A-TZ-5	FEDERAL NATL MTG ASSN		09/10/2008	Various		449,816	450,000		1
912810-FP-8	U.S. Treasury Bonds 5.375%		08/05/2008	Various		5,466,992	5,000,000	129,207	1
912810-FT-0	UNITED STATES TREAS BDS		08/21/2008	Various		12,318,652	12,500,000	165,585	1
912810-PT-9	UNITED STATES TREAS BDS		08/21/2008	VARIOUS		12,896,523	12,540,000	175,536	1
912810-PU-6	UNITED STATES TREAS BDS		08/21/2008	VARIOUS		15,603,880	14,570,000	173,167	1
912810-PW-2	UNITED STATES TREAS BDS		09/18/2008	VARIOUS		19,712,941	19,975,000	232,309	1
912810-PX-0	UNITED STATES TREAS BDS		09/18/2008	Various		35,460,469	34,000,000	501,359	1
912828-CV-0	UNITED STATES TREAS NTS		08/28/2008	Various		4,758,215	4,700,000	74,140	1
912828-GH-7	UNITED STATES TREAS NTS		07/02/2008	Various		837,722	795,000	14,546	1
912828-HS-2	UNITED STATES TREAS NTS		07/24/2008	Various		7,951,589	8,000,000	65,652	1
912828-HZ-6	UNITED STATES TREAS NTS		07/24/2008	Various		4,255,149	4,300,000	33,927	1
912828-JC-5	UNITED STATES TREAS NTS		07/24/2008	Various		2,748,492	2,730,000	4,876	1
912828-JD-3	UNITED STATES TREAS NTS		07/25/2008	Various		10,374,433	10,350,000	26,794	1
912828-JH-4	UNITED STATES TREAS NTS		09/19/2008	Various		1,226,000	1,200,000	4,660	1
912810-PV-4	US TRSY INFL INDEX 1.750% 1/15/		07/23/2008	Various		4,750,542	5,000,000	3,933	1
0399999 - Total - Bonds - U.S. Government						153,950,486	150,460,000	1,731,656	XXX
3128NH-VA-8	FHLMC PC 11 HYBRD ARM		07/25/2008	Various		6,243,414	6,103,231	21,463	1
31410M-GV-6	FNMA PASS-THRU INT 15 YEAR		07/24/2008	Various		468,870	475,708	1,123	1
31413M-NF-0	FNMA PASS-THRU INT 15 YEAR		07/24/2008	Various		493,571	491,651	1,277	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		08/04/2008	Various		1,367,917	1,305,400	3,046	1
31407J-2Q-4	FNMA PASS-THRU LNG 30 YEAR		07/25/2008	Various		637,468	671,019	1,118	1
31410G-KA-0	FNMA PASS-THRU LNG 30 YEAR		07/10/2008	Various		695,688	719,348	1,199	1
31410K-NH-3	FNMA PASS-THRU LNG 30 YEAR		07/03/2008	Various		994,844	1,013,872	2,014	1
31410K-RB-2	FNMA PASS-THRU LNG 30 YEAR		07/16/2008	Various		2,105,318	2,041,830	4,424	1
31412W-GH-4	FNMA PASS-THRU LNG 30 YEAR		09/11/2008	Various		970,048	959,998	4,253	1
31414R-NH-4	FNMA PASS-THRU LNG 30 YEAR		07/11/2008	Various		319,459	328,255	638	1
31414T-SA-0	FNMA PASS-THRU LNG 30 YEAR		09/08/2008	Various		346,997	343,775	525	1
31415C-LL-9	FNMA PASS-THRU LNG 30 YEAR		07/11/2008	Various		314,643	323,307	629	1
31415L-LT-2	FNMA PASS-THRU LNG 30 YEAR		07/24/2008	Various		858,411	836,836	1,813	1
31415M-X4-2	FNMA PASS-THRU LNG 30 YEAR		07/24/2008	Various		1,709,696	1,745,979	3,201	1
31371N-LS-2	FNMA PASS-THRU LNG 10 7-10YR		07/30/2008	Various		2,800,762	2,750,480	5,959	1
31385H-QL-9	FNMA PASS-THRU MEGA MULTI 7		08/19/2008	Various		349,331	336,907	1,223	1
31385H-YR-7	FNMA PASS-THRU MEGA MULTI 7		08/26/2008	Various		477,568	464,204	2,055	1
31410K-UK-8	FNMA POOL #889886 7.000% 12/01/		08/20/2008	Various		4,249,525	4,059,248	7,893	1
78444E-AB-5	SLM STUDENT LOAN TR 2007-7		08/05/2008	Various		781,625	800,000	933	1
3199999 - Total - Bonds - Special Revenue						26,185,155	25,771,048	64,788	XXX
500472-AB-1	KONINKLIJKE PHILIPS ELECTRS NV	F	08/25/2008	Various		495,290	500,000	13,337	1FE
007924-AF-0	AEGON N V		09/10/2008	Various		542,812	575,000	7,890	1FE
008252-AK-4	AFFILIATED MANAGERS GROUP		09/17/2008	Various		704,908	700,000	2,913	2FE
018490-AL-6	ALLERGAN INC		09/25/2008	Exchange		381,679	380,000		1FE
026874-BU-0	AMERICAN INTL GROUP INC		08/13/2008	Various		675,000	675,000		1FE
031162-AQ-3	AMGEN INC		07/14/2008	Various		1,254,750	1,400,000	2,421	1FE
035229-DC-4	ANHEUSER BUSCH COS INC		07/10/2008	Various		1,871,800	2,000,000	48,017	1FE
00184A-AC-9	AOL TIME WARNER INC		09/10/2008	Various		807,302	800,000	23,214	2FE
001957-BD-0	AT&T CORP. STEP UP		08/25/2008	Various		460,324	400,000	9,156	1FE
056335-AA-0	BAC CAPITAL TRUST XI		08/18/2008	Various		90,569	100,000	1,619	1FE
10112R-AB-0	BOSTON PTYVS LTD PARTNERSHIP 6.25%		07/02/2008	Various		453,132	450,000	13,516	2FE
110122-AL-2	BRISTOL MYERS SQUIBB CO		07/29/2008	Various		202,972	200,000	4,842	1FE
12189T-AV-6	BURLINGTON NORTHN SANTA FE CP		09/23/2008	Various		1,003,233	1,075,000	10,914	2FE
161630-AQ-1	CHASE MORTGAGE FIN TR 2007-A1		07/09/2008	Various		3,426,673	3,519,048	5,299	1FE
17312K-AQ-5	CITICORP MTG SEC REMIC 2007-5		09/10/2008	Various		2,397,205	2,771,335	5,928	1FE

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
189054-AQ-2	CLOROX CO DEL		09/12/2008	Various		1,982,100	2,000,000	4,444	2FE
20030N-AU-5	COMCAST CORP NEW		08/28/2008	Various		500,455	500,000	9,450	2FE
20030N-AW-1	COMCAST CORP NEW		07/24/2008	Various		141,842	150,000	1,948	2FE
224044-BH-9	COX COMMUNICATIONS INC NEW		08/26/2008	Various		411,919	425,000	9,610	2FE
12667G-UG-6	CWALT INC 2005-29CB		08/21/2008	Various		1,509,810	1,905,124	6,615	1FE
12668A-N2-7	CWALT INC 2005-69		07/11/2008	Various		90,674	129,650	232	1FE
263534-BT-5	DU PONT E I DE NEMOURS & CO		07/23/2008	Various		999,580	1,000,000		1FE
264399-EM-4	DUKE ENERGY CORP		07/24/2008	Various		100,507	100,000	1,737	1FE
31410H-AQ-4	FEDERATED DEPT STORES INC DEL		08/21/2008	Various		357,206	440,000	11,404	2FE
341081-EN-3	FLORIDA PWR & LT CO		07/29/2008	Various		226,145	225,000		1FE
36962G-3U-6	GENERAL ELEC CAP CORP MTN BE		07/24/2008	Various		242,708	250,000	3,828	1FE
36962G-ZY-3	General Electric Cap. Corp. 5.45%		09/03/2008	Various		561,968	550,000	4,413	1FE
404132-AB-8	HCC INS HLDGS INC		08/26/2008	Various		739,862	650,000	3,215	1FE
404280-AG-4	HSBC HLDGS PLC		08/18/2008	Various		185,950	200,000	3,936	1FE
453414-AC-8	INDEPENDENCE CMNTY BK CORP		08/27/2008	VARIOUS		2,146,250	2,500,000	43,215	2FE
478160-AN-4	JOHNSON & JOHNSON		08/06/2008	Various		1,020,780	1,000,000	29,089	1FE
46627M-AU-1	JP MORGAN ALT LN TR 2005-S1		07/16/2008	Various		3,961,668	5,282,223	17,607	1FE
46625H-HA-1	JP MORGAN CHASE & CO		07/23/2008	Various		140,250	150,000	3,127	1FE
46629M-AF-2	JP MORGAN COM MTG 2006-LDP8		07/24/2008	Various		352,266	375,000	1,575	1FE
50075N-AS-3	KRAFT FOODS INC		07/29/2008	Various		125,106	125,000	3,837	2FE
505861-AB-0	LAFARGE S A 6.500% 7/15/		07/10/2008	Various		144,666	150,000		2FE
55616X-AE-7	MACYS RETAIL HLDGS INC		07/08/2008	Various		227,858	225,000	738	2FE
595620-AG-0	MIDAMERICAN ENERGY CO		07/24/2008	Various		152,988	150,000	347	1FE
652482-BG-4	NEWS AMER INC		07/24/2008	Various		98,282	100,000	648	2FE
655664-AK-6	NORDSTROM INC		09/24/2008	Various		375,828	400,000	5,139	1FE
71713U-AW-2	PHARMACIA CORP 6.600% 12/01/		07/29/2008	Various		1,040,220	1,000,000	11,000	1FE
78442F-EH-7	SLM CORP MTN BOOK ENTRY		08/26/2008	Various		204,750	225,000	3,750	2FE
907818-CV-8	UNION PAC CORP		09/22/2008	Various		325,787	350,000	3,318	2FE
927804-FC-3	VIRGINIA ELEC & PWR CO		07/24/2008	Various		101,163	100,000	2,215	1FE
929903-DF-6	WACHOVIA CORP NEW		07/25/2008	Various		618,912	700,000	399	1FE
94984X-AQ-3	WELLS FARGO MBS 2007-2		07/18/2008	Various		2,709,160	3,044,000	10,696	1FE
94985T-AA-6	WELLS FARGO MBS 2007-3		09/10/2008	Various		3,423,993	4,477,271	6,895	1FE
983024-AJ-9	WYETH		08/28/2008	Various		327,376	325,000	894	1FE
984121-BQ-5	XEROX CORP		08/25/2008	Various		579,359	575,000	2,911	2FE
98385X-AT-3	XTO ENERGY INC		08/04/2008	Various		49,857	50,000		2FE
98934K-AB-6	ZENECA WILMINGTON INC		08/08/2008	Various		2,225,680	2,000,000	34,222	1FE
4599999 - Total - Bonds - Industrial, Misc.						43,170,569	47,373,651	391,517	XXX
6099997 - Total - Bonds - Part 3						223,306,211	223,604,700	2,187,961	XXX
6099999 - Total - Bonds						223,306,211	223,604,700	2,187,961	XXX
6599999 - Total - Preferred Stocks						0	XXX	0	XXX
539830-10-9	LOCKHEED MARTIN CORP		08/25/2008	Exchange	3,196,576	752,864			L
6899999 - Total - Common Stocks - Industrial, Misc.						752,864	XXX	0	XXX
922040-10-0	VANGUARD INSTITUTIONAL INDEX FUND		09/25/2008	Vanguard Group	717,185	79,213			L
921909-80-0	VANGUARD STAR FD		09/11/2008	Vanguard Group	1,338,644,173	15,000,000			L
7099999 - Total - Common Stocks - Mutual Funds						15,079,213	XXX	0	XXX
7299997 - Total - Common Stocks - Part 3						15,832,078	XXX	0	XXX
7299999 - Total - Common Stocks						15,832,078	XXX	0	XXX
7399999 - Total - Preferred and Common Stocks						15,832,078	XXX	0	XXX
7499999 - Totals						239,138,289	XXX	2,187,961	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3133XC-QZ-9.	FEDERAL HOME LN BKS.		08/01/2008.	VARIOUS.		3,062,226	3,000,000	2,932,734	2,942,450		11,723		11,723		2,954,173		108,054	108,054	116,302	09/17/2010.	1.
3133XK-XD-2.	FEDERAL HOME LN BKS.		08/01/2008.	VARIOUS.		3,598,847	3,500,000	3,477,031	3,480,779		4,515		4,515		3,485,294		113,553	113,553	124,177	05/14/2010.	1.
3134A4-VE-1.	FEDERAL HOME LN MTG CORP.		08/01/2008.	VARIOUS.		5,083,203	5,000,000	4,873,242	4,897,095		20,308		20,308		4,917,403		165,800	165,800	165,000	10/18/2010.	1.
3137EA-AK-5.	FEDERAL HOME LN MTG CORP.		08/01/2008.	VARIOUS.		3,571,914	3,500,000	3,495,215	3,496,581		1,051		1,051		3,497,633		74,281	74,281	126,073	11/03/2009.	1.
31359W-5H-2.	FEDERAL NATL MTG ASSN.		08/01/2008.	VARIOUS.		2,072,266	2,000,000	2,008,359	2,007,358		(954)		(954)		2,006,404		65,862	65,862	97,222	02/16/2012.	1.
31359W-W6-6.	FEDERAL NATL MTG ASSN.		08/22/2008.	Ferris Baker.		1,000,000	1,000,000	1,006,170	1,002,059		(1,601)		(1,601)		1,000,458		(458)	(458)	60,000	08/22/2016.	1.
31359W-ZL-0.	FEDERAL NATL MTG ASSN.		08/01/2008.	VARIOUS.		3,086,367	3,000,000	2,990,508	2,992,084		1,473		1,473		2,993,557		92,810	92,810	91,438	12/15/2010.	1.
31331L-NC-8.	FFCB 5.65%.		08/06/2008.	MATURITY.		250,000	250,000	250,943	251,183		(1,183)		(1,183)		250,000				14,125	08/06/2008.	1.
362199-AW-1.	GNMA #271021.		09/15/2008.	PRINCIPAL RECEIPT.		85	85	88			(2)		(2)		85				5	05/15/2020.	1.
36220D-C5-6.	GNMA #274692.		09/15/2008.	PRINCIPAL RECEIPT.		129	129	134	133		(3)		(3)		129				7	10/15/2019.	1.
	GNMA 493372 6.00% OF																				
36210J-CH-9.	12/15/28.		09/15/2008.	PRINCIPAL RECEIPT.		11,664	11,664	11,583	11,590		74		74		11,664				509	12/15/2028.	1.
	GNMA 513558 7.50% Of																				
36211H-OK-0.	12/15/29.		09/15/2008.	PRINCIPAL RECEIPT.		562	562	561	561		1		1		562				28	12/15/2029.	1.
	GNMA PASS-THRU M SINGLE																				
36202E-QZ-5.	FAMILY.		09/20/2008.	PRINCIPAL RECEIPT.		2,395	2,395	2,386			9		9		2,395				47	01/20/2038.	1.
	GNMA PASS-THRU M SINGLE																				
36202E-RT-8.	FAMILY.		09/20/2008.	VARIOUS.		253,485	258,051	258,945			140		140		259,085		(5,600)	(5,600)	5,516	03/20/2038.	1.
	GNMA PASS-THRU X SINGLE																				
36291R-NN-8.	FAMILY.		09/15/2008.	PRINCIPAL RECEIPT.		74,221	74,221	74,418	74,418		(197)		(197)		74,221				2,843	11/15/2034.	1.
	GNMA PASS-THRU X SINGLE																				
36295N-A6-4.	FAMILY.		07/15/2008.	VARIOUS.		316,273	318,521	320,114			8		8		320,122		(3,849)	(3,849)	6,468	02/15/2038.	1.
36220D-DF-3.	GNMA Pool # 274702.		09/15/2008.	PRINCIPAL RECEIPT.		875	875	908	901		(26)		(26)		875				48	02/15/2020.	1.
36220F-UV-4.	GNMA Pool #276996.		09/15/2008.	PRINCIPAL RECEIPT.		279		290	287		(8)		(8)		279				15	08/15/2020.	1.
36220F-VB-7.	GNMA Pool #277010.		09/15/2008.	PRINCIPAL RECEIPT.		150	150	156	154		(4)		(4)		150				8	01/15/2020.	1.
36225A-PL-8.	GNMA POOL #780427.		07/15/2008.	PRINCIPAL RECEIPT.		39	39	40	39		0		0		39				2	08/01/2026.	1.
	SMALL BUS ADMIN GTD DEV																				
83162C-LT-8.	PTC.		09/25/2008.	Merrill Lynch.		39,615	39,615	42,289	41,880		(84)		(84)		41,797		(2,182)	(2,182)	2,537	09/01/2021.	1.
	SMALL BUS ADMIN GTD DEV																				
83162C-PS-6.	PTC.		08/15/2008.	Principal Receipt.		35,288	35,288	35,288	35,288		0		0		35,288				1,864	08/01/2025.	1.
	SMALL BUS ADMIN GTD DEV																				
83162C-OV-8.	PTC.		08/15/2008.	Redemption.		38,927	38,927	38,927	38,927		0		0		38,927				2,203	02/01/2027.	1.
	Small Bus Admin Series																				
83162C-LG-6.	2001-20B.		08/01/2008.	PRINCIPAL RECEIPT.		17,004	17,004	17,004	17,004		0		0		17,004				561	02/01/2021.	1.
	Small Business Admin GTD																				
83162C-JC-8.	Dev 6.35%.		09/01/2008.	PRINCIPAL RECEIPT.		10,806	10,806	9,752	9,781		1,025		1,025		10,806				351	03/01/2018.	1.
	Small Business Admin Gtd																				
83162C-KF-9.	Ser 99-l.		09/01/2008.	PRINCIPAL RECEIPT.		4,932	4,932	4,932	4,932		0		0		4,932				188	09/01/2019.	1.
	U. S. Treasury Bonds																				
912810-FP-8.	5.375%.		08/07/2008.	VARIOUS.		5,511,719	5,000,000	5,466,992			(65)		(65)		5,466,927		44,792	44,792	132,160	02/15/2031.	1.
912810-FE-3.	UNITED STATES TREAS BDS.		07/08/2008.	VARIOUS.		1,679,941	1,500,000	1,666,406			(648)		(648)		1,665,758		14,183	14,183	33,317	08/15/2028.	1.
912810-FM-5.	UNITED STATES TREAS BDS.		07/08/2008.	VARIOUS.		5,558,027	4,500,000	5,568,926			(5,812)		(5,812)		5,563,114		(5,087)	(5,087)	184,188	05/15/2030.	1.
912810-FT-0.	UNITED STATES TREAS BDS.		08/25/2008.	VARIOUS.		12,466,992	12,500,000	12,318,652			45		45		12,318,697		148,295	148,295	173,278	02/15/2036.	1.
912810-PT-9.	UNITED STATES TREAS BDS.		09/03/2008.	VARIOUS.		13,005,176	12,500,000	12,855,078			(185)		(185)		12,854,892		150,284	150,284	189,036	02/15/2037.	1.
912810-PJ-6.	UNITED STATES TREAS BDS.		09/03/2008.	VARIOUS.		15,650,605	14,500,000	15,529,335			(423)		(423)		15,528,913		121,692	121,692	188,209	05/15/2037.	1.
912810-PW-2.	UNITED STATES TREAS BDS.		09/29/2008.	VARIOUS.		19,343,672	19,500,000	19,255,858			7		7		19,255,866		87,806	87,806	241,119	02/15/2038.	1.
912810-PX-0.	UNITED STATES TREAS BDS.		09/29/2008.	VARIOUS.		35,465,175	34,000,000	35,460,469			(477)		(477)		35,459,991		5,183	5,183	528,567	05/15/2038.	1.
912828-AP-5.	UNITED STATES TREAS NTS.		07/22/2008.	VARIOUS.		4,637,637	4,500,000	4,452,363	4,455,341		4,644		4,644		4,459,985		177,651	177,651	124,728	11/15/2012.	1.
912828-CV-0.	UNITED STATES TREAS NTS.		08/04/2008.	VARIOUS.		3,844,538	3,800,000	3,854,477			(6,303)		(6,303)		3,848,173		(3,635)	(3,635)	48,699	09/15/2009.	1.
912828-EC-0.	UNITED STATES TREAS NTS.		08/15/2008.	VARIOUS.		5,425,000	5,425,000	5,479,152			(54,152)		(54,152)		5,425,000				0	08/15/2008.	1.
912828-EW-6.	UNITED STATES TREAS NTS.		09/15/2008.	VARIOUS.		4,351,718	4,000,000	3,980,937	3,981,369		1,363		1,363		3,982,732		368,986	368,986	196,630	02/15/2016.	1.
912828-FQ-8.	UNITED STATES TREAS NTS.		07/15/2008.	VARIOUS.		5,411,133	5,000,000	5,096,094	5,094,070		(4,845)		(4,84								

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
912828-JH-4.	UNITED STATES TREAS NTS...		..09/18/2008.	VARIOUS.....		236,004	..225,000	..229,922			..(7)		..(7)		229,915		..6,089	..6,089	..856	..08/15/2018.	..1...
83162C-KC-6.	US SMALL BUS ADMIN GTD		..07/01/2008.	PRINCIPAL RECEIPT.....		..6,994	..6,994	..6,994	..6,994				..0		..6,994			..0	..528	..07/01/2019.	..1...
83162C-KM-4.	99-20G		..07/01/2008.	PRINCIPAL RECEIPT.....		..4,457	..4,457	..5,209	..4,804		..(347)		..(347)		..4,457			..0	..362	..01/01/2020.	..1...
912828-FF-2.	DB00-20A		..07/08/2008.	VARIOUS.....		..3,839,063	..3,500,000	..3,827,715		..(4,487)			..(4,487)		..3,823,228		..15,834	..15,834	..27,784	..05/15/2016.	..1...
912810-PV-4.	US TREAS		..07/24/2008.	VARIOUS.....		..4,808,692	..5,000,000	..4,750,542		..46			..46		..4,750,588		..58,104	..58,104	..3,933	..01/15/2028.	..1...
0399999	- Bonds - U.S. Governments					212,460,657	204,789,996	208,920,652	47,829,188	0	(36,665)	0	(36,665)	0	208,917,688	0	3,542,969	3,542,969	4,038,884	XXX	XXX
31403D-DB-2.	FEDERAL NATL MTG AS		..09/25/2008.	PRINCIPAL RECEIPT.....		..16,614	..16,614	..16,776	..16,769		..(155)		..(155)		..16,614			..0	..622	..06/01/2035.	..1...
31283J-T2-7.	FHLMC #610569		..09/15/2008.	PRINCIPAL RECEIPT.....		..1,384	..1,384	..1,367	..1,378		..5		..5		..1,384			..0	..64	..12/01/2008.	..1...
31292H-GP-3.	FHLMC GOLD POOL #C01106		..09/15/2008.	PRINCIPAL RECEIPT.....		..403	..403	..408	..408		..(5)		..(5)		..403			..0	..20	..12/01/2030.	..1...
3128JW-GQ-4.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..8,000	..8,000	..7,867	..7,865		..135		..135		..8,000			..0	..226	..02/01/2035.	..1...
3128JW-XM-4.	LIBOR VR		..09/15/2008.	PRINCIPAL RECEIPT.....		..13,723	..13,723	..13,507	..13,505		..218		..218		..13,723			..0	..400	..10/01/2034.	..1...
3128MT-6K-9.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..13,094	..13,094	..13,264	..13,263		..(170)		..(170)		..13,094			..0	..538	..09/01/2037.	..1...
3128MT-XG-8.	10/20 11		..09/15/2008.	PRINCIPAL RECEIPT.....		..1,038	..1,038	..1,048	..1,048		..(11)		..(11)		..1,038			..0	..46	..08/01/2036.	..1...
3128UN-DB-5.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..31,333	..31,333	..31,784	..31,783		..(449)		..(449)		..31,333			..0	..1,371	..10/01/2037.	..1...
3128P7-DW-2.	10/20 11		..09/15/2008.	PRINCIPAL RECEIPT.....		..38,291	..38,291	..39,069	..39,062		..(770)		..(770)		..38,291			..0	..1,632	..12/01/2026.	..1...
31292K-JQ-1.	CASH 20		..09/15/2008.	PRINCIPAL RECEIPT.....		..21,045	..21,045	..21,940		..(894)			..(894)		..21,045			..0	..618	..07/01/2037.	..1...
31283K-XB-9.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..18,121	..18,121	..18,758	..18,632		..(511)		..(511)		..18,121			..0	..714	..02/01/2019.	..1...
3128MB-EG-8.	COMB 15		..09/15/2008.	PRINCIPAL RECEIPT.....		..76,376	..76,376	..76,672	..76,666		..(289)		..(289)		..76,376			..0	..2,784	..03/01/2022.	..1...
31283H-6C-4.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..7,519	..7,519	..7,664	..7,663		..(144)		..(144)		..7,519			..0	..322	..12/01/2032.	..1...
31283H-6D-2.	COMB 30		..09/15/2008.	PRINCIPAL RECEIPT.....		..25,112	..25,112	..25,671	..25,663		..(551)		..(551)		..25,112			..0	..1,066	..12/01/2031.	..1...
31283H-VE-2.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..25,098	..25,098	..25,408	..25,410		..(312)		..(312)		..25,098			..0	..992	..03/01/2033.	..1...
3128KU-MB-0.	COMB 30		..09/15/2008.	PRINCIPAL RECEIPT.....		..502	..502	..507	..507		..(6)		..(6)		..502			..0	..19	..08/01/2037.	..1...
3128LX-AU-4.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..28,144	..28,144	..27,842			..301		..301		..28,144			..0	..419	..06/01/2035.	..1...
3128M4-AZ-6.	COMB 30		..09/15/2008.	PRINCIPAL RECEIPT.....		..5,418	..5,418	..5,285			..132		..132		..5,418			..0	..36	..12/01/2036.	..1...
3128M5-GR-5.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..23,100	..23,100	..23,302	..23,303		..(203)		..(203)		..23,100			..0	..870	..07/01/2037.	..1...
3128M5-HJ-2.	COMB 30		..09/15/2008.	PRINCIPAL RECEIPT.....		..3,861	..3,861	..3,898	..3,899		..(38)		..(38)		..3,861			..0	..139	..06/01/2036.	..1...
3128M5-VS-6.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..2,226	..2,226	..2,169			..57		..57		..2,226			..0	..15	..03/01/2038.	..1...
3128M6-EF-1.	COMB 30		..09/15/2008.	PRINCIPAL RECEIPT.....		..2,649	..2,649	..2,510			..139		..139		..2,649			..0	..16	..04/01/2038.	..1...
3128M6-FT-0.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..37,242	..37,242	..38,651		..(1,408)			..(1,408)		..37,242			..0	..424	..03/01/2038.	..1...
31349S-JK-0.	ADJ 30YR		..09/15/2008.	PRINCIPAL RECEIPT.....		..5,476	..5,476	..5,395	..5,394		..82		..82		..5,476			..0	..136	..01/01/2034.	..1...
31349U-K4-9.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..111,633	..111,633	..110,186	..110,182		..1,452		..1,452		..111,633			..0	..2,910	..02/01/2035.	..1...
3128QJ-NW-2.	HYBRD ARM		..09/15/2008.	PRINCIPAL RECEIPT.....		..13,527	..13,527	..13,488	..13,489		..38		..38		..13,527			..0	..424	..11/01/2036.	..1...
3128Q9-JZ-0.	FHLMC PC		..09/15/2008.	PRINCIPAL RECEIPT.....		..18,503	..18,503	..18,231	..18,232		..271		..271		..18,503			..0	..693	..07/01/2037.	..1...
31294J-RB-6.	FHLMC PC GOLD CASH 6.50		..09/15/2008.	PRINCIPAL RECEIPT.....		..2,152	..2,152	..2,236	..2,172		..(20)		..(20)		..2,152			..0	..92	..04/01/2012.	..1...
3128S4-B5-5.	FHLMC POOL #100060		..09/15/2008.	PRINCIPAL RECEIPT.....		..58,784	..58,784	..57,900	..57,913		..870		..870		..58,784			..0	..1,851	..12/01/2035.	..1...
31283K-R6-7.	5.132% 12/01/		..09/15/2008.	PRINCIPAL RECEIPT.....		..11,562	..11,562	..12,002	..11,925		..(363)		..(363)		..11,562			..0	..459	..05/01/2017.	..1...

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31283K-KT-4.	FHLMC Pool 611206 6.0%		09/15/2008	PRINCIPAL RECEIPT		3,176	3,176	3,268	3,178		(2)		(2)		3,176			.0	.127	01/01/2015	1
31392P-BJ-3.	FHLMC REMIC SERIES 2456		09/15/2008	PRINCIPAL RECEIPT		67,551	67,551	68,659	68,933		(1,382)		(1,382)		67,551			.0	2,882	06/15/2032	1
31393P-VP-6.	FHLMC REMIC SERIES 2594		07/18/2008	VARIOUS		4,065,910	4,112,150	4,012,559	3,886,648		(272,641)		(272,641)		3,614,007		451,903	451,903	105,726	12/15/2013	1
31396A-KP-8.	FHLMC REMIC SERIES 3030		09/15/2008	PRINCIPAL RECEIPT		172,585	172,585	173,664	174,056		(1,471)		(1,471)		172,585			.0	6,264	03/15/2034	1
31397P-5M-8.	FHLMC REMIC SERIES 3389		09/15/2008	PRINCIPAL RECEIPT		47,958	47,958	48,438			(480)				47,958			.0	487	12/15/2035	1
31392W-EM-0.	FHLMC REMIC SERIES T0041		09/25/2008	PRINCIPAL RECEIPT		2,924	2,924	3,037	2,931		(7)		(7)		2,924			.0	134	07/25/2032	1
31331T-W8-1.	FHLMC SERIES 1608		09/15/2008	PRINCIPAL RECEIPT		10,574	10,574	11,291	10,846		(272)		(272)		10,574			.0	474	09/15/2023	1
31392B-MM-5.	FNMA 2001-79 BA 7%		09/25/2008	PRINCIPAL RECEIPT		5,868	5,868	6,017	5,993		(124)		(124)		5,868			.0	257	03/25/2045	1
31385J-JF-6.	FNMA PASS THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		3,969	3,969	4,129	4,126		(157)		(157)		3,969			.0	136	07/01/2032	1
31404C-LB-4.	FNMA PASS-THRU ADJ 2% SINGLE		09/25/2008	PRINCIPAL RECEIPT		2,863	2,863	2,816	2,815		.48		.48		2,863			.0	.82	06/01/2034	1
31405F-TW-2.	FNMA PASS-THRU ADJ SINGLE		09/25/2008	PRINCIPAL RECEIPT		59,252	59,252	58,388	58,383		.868		.868		59,252			.0	1,890	08/01/2034	1
31381J-J5-2.	FNMA PASS-THRU BLN MULTI 7+		09/25/2008	PRINCIPAL RECEIPT		.675	.675	.660	.662		.13		.13		.675			.0	.23	11/01/2015	1
31405F-D5-8.	FNMA PASS-THRU GOV SINGLE FAM		09/25/2008	PRINCIPAL RECEIPT		3,313	3,313	3,491	3,484		(172)		(172)		3,313			.0	.172	10/01/2032	1
31371L-ZY-8.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		43,062	43,062	43,001	43,000		.62		.62		43,062			.0	1,503	12/01/2019	1
31385J-D2-1.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		16,885	16,885	17,777	17,646		(760)		(760)		16,885			.0	.698	05/01/2017	1
31385W-5T-2.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		87,564	87,564	89,164	89,066		(1,503)		(1,503)		87,564			.0	3,419	12/01/2017	1
31389H-LT-3.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		17,635	17,635	17,783	17,738		(103)		(103)		17,635			.0	.648	03/01/2017	1
31402C-RT-1.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		72,685	72,685	73,140	73,108		(422)		(422)		72,685			.0	2,501	12/01/2018	1
31402R-NP-0.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		21,191	21,191	21,426	21,393		(203)		(203)		21,191			.0	.741	07/01/2020	1
31403C-XG-1.	FNMA PASS-THRU INT 15 YEAR		07/25/2008	VARIOUS		52,118	52,303	51,102	51,116		.43		.43		51,159		959	.959	2,652	12/01/2020	1
31403D-DK-2.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		110,305	110,305	112,304	112,243		(1,938)		(1,938)		110,305			.0	4,228	03/01/2021	1
31406W-EX-8.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		24,587	24,587	23,465	23,476		1,111		1,111		24,587			.0	.974	06/01/2020	1
31407F-BY-5.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		130,576	130,576	126,964	126,999		3,577		3,577		130,576			.0	3,999	08/01/2020	1
31407P-Y6-9.	FNMA PASS-THRU INT 15 YEAR		07/25/2008	VARIOUS		436,424	437,971	420,863	421,125		.705		.705		421,829		14,595	14,595	13,780	10/01/2020	1
31410F-WM-3.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		10,314	10,314	10,360			(45)		(45)		10,314			.0	.124	05/01/2021	1
31410M-GV-6.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		2,506	2,506	2,470			.36		.36		2,506			.0	.10	11/01/2021	1
31411A-JN-6.	FNMA PASS-THRU INT 15 YEAR		09/25/2008	PRINCIPAL RECEIPT		177,681	177,681	180,513	180,492		(2,811)		(2,811)		177,681			.0	6,359	11/01/2021	1
31413W-NF-0.	FNMA PASS-THRU INT 20 YEAR		09/25/2008	PRINCIPAL RECEIPT		12,277	12,277	12,325			(48)		(48)		12,277			.0	.56	08/01/2022	1
31371K-VP-3.	FNMA PASS-THRU INT 20 YEAR		09/25/2008	PRINCIPAL RECEIPT		93,399	93,399	94,712			(1,313)		(1,313)		93,399			.0	.721	10/01/2022	1
31371N-A5-4.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		32,644	32,644	33,302	33,295		(651)		(651)		32,644			.0	1,373	02/01/2027	1
31371K-VH-1.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		7,010	7,010	7,291	7,288		(278)		(278)		7,010			.0	.290	11/01/2032	1
31371N-H4-0.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		22,902	22,902	23,998			(1,097)		(1,097)		22,902			.0	.134	08/01/2037	1
31384W-LF-5.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		16,607	16,607	17,274	17,265		(658)		(658)		16,607			.0	.709	05/01/2031	1
31385J-F8-6.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		7,187	7,187	7,476	7,473		(286)		(286)		7,187			.0	.285	06/01/2032	1
31385W-V6-3.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		3,326	3,326	3,459	3,458		(132)		(132)		3,326			.0	.138	10/01/2032	1
31385X-EC-7.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		39,469	39,469	39,666			(197)		(197)		39,469			.0	.522	06/01/2033	1
31391K-5X-1.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008	PRINCIPAL RECEIPT		5,748	5,748	5,979	5,976		(228)		(228)		5,748			.0	.245	05/01/2032	1

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31391U-EV-3.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		48,481	48,481	46,970	46,969		1,512		1,512		48,481			0	1,628	01/01/2033.	1.
31402C-4H-2.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		20,578	20,578	19,902	19,907		671		671		20,578			0	711	04/01/2034.	1.
31402C-U6-7.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	VARIOUS.		400,487	415,355	399,747	399,867		460		460		400,327		160	160	16,118	03/01/2034.	1.
31402Q-WA-5.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		8,762	8,762	8,533	8,533		229		229		8,762			0	317	01/01/2035.	1.
31402R-DH-9.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		29,025	29,025	29,338	29,338		(312)		(312)		29,025			0	1,094	04/01/2035.	1.
31403C-6L-0.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		4,466	4,466	4,428			38		38		4,466			0	74	02/01/2036.	1.
31407J-2Q-4.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		4,795	4,795	4,555			240		240		4,795			0	20	09/01/2035.	1.
31410F-2Q-7.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		16,724	16,724	16,692			32		32		16,724			0	342	08/01/2034.	1.
31410F-T6-2.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		2,006	2,006	1,994			12		12		2,006			0	44	02/01/2035.	1.
31410F-YE-9.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		1,538	1,538	1,501			37		37		1,538			0	10	05/01/2036.	1.
31410G-KA-0.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		4,544	4,544	4,395			149		149		4,544			0	19	12/01/2036.	1.
31410G-KD-4.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		2,347	2,347	2,340			7		7		2,347			0	20	09/01/2036.	1.
31410G-RL-9.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		120,842	120,842	125,695			(4,853)		(4,853)		120,842			0	2,517	11/01/2037.	1.
31410K-NH-3.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	VARIOUS.		738,714	748,085	734,123			101		101		734,223		4,491	4,491	3,228	05/01/2038.	1.
31410K-RB-2.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		26,071	26,071	26,881			(811)		(811)		26,071			0	141	07/01/2038.	1.
31410S-PH-4.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		2,128	2,128	2,130			(2)		(2)		2,128			0	84	08/01/2036.	1.
31413F-EA-6.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		1,273	1,273	1,305			(32)		(32)		1,273			0	55	08/01/2037.	1.
31414H-L9-6.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		13,349	13,349	13,872			(524)		(524)		13,349			0	430	12/01/2037.	1.
31414R-NH-4.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		2,077	2,077	2,021			56		56		2,077			0	12	03/01/2038.	1.
31415C-LL-9.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		3,012	3,012	2,931			81		81		3,012			0	14	05/01/2038.	1.
31415L-LT-2.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		663	663	680			(17)		(17)		663			0	4	07/01/2038.	1.
31415M-X4-2.	FNMA PASS-THRU LNG 30 YEAR		09/25/2008.	PRINCIPAL RECEIPT.		1,849	1,849	1,811			38		38		1,849			0	8	06/01/2038.	1.
31371N-LS-2.	7-10YR FNMA PASS-THRU LNG 10		09/25/2008.	PRINCIPAL RECEIPT.		30,509	30,509	31,067			(558)		(558)		30,509			0	165	10/01/2037.	1.
31413Q-PD-4.	7-10YR FNMA PASS-THRU MEGA		09/25/2008.	PRINCIPAL RECEIPT.		23,750	23,750	24,440			(690)		(690)		23,750			0	634	10/01/2037.	1.
31385H-QL-9.	MULTI 7 FNMA PASS-THRU MEGA		09/25/2008.	PRINCIPAL RECEIPT.		990	990	1,048	408		(42)		(42)		990			0	17	05/01/2011.	1.
31385H-W6-5.	MULTI 7 FNMA PASS-THRU MEGA		09/25/2008.	PRINCIPAL RECEIPT.		1,174	1,174	1,232			(58)		(58)		1,174			0	16	11/01/2011.	1.
31385H-YR-7.	MULTI 7 FNMA PASS-THRU MEGA		09/25/2008.	PRINCIPAL RECEIPT.		649	649	668			(19)		(19)		649			0	3	11/01/2011.	1.
31385J-A4-0.	MULTI 7 FNMA PASS-THRU MEGA		09/25/2008.	PRINCIPAL RECEIPT.		1,307	1,307	1,378			(71)		(71)		1,307			0	38	02/01/2012.	1.
31385J-BQ-0.	MULTI 7 FNMA PASS-THRU SHRT 10		09/25/2008.	PRINCIPAL RECEIPT.		909	909	985	957		(48)		(48)		909			0	36	03/01/2012.	1.
31410F-S5-5.	YEAR		09/25/2008.	PRINCIPAL RECEIPT.		62,005	62,005	62,994	62,948		(943)		(943)		62,005			0	2,348	11/01/2016.	1.
31371K-T9-2.	FNMA POOL #254476 5.5%		09/25/2008.	PRINCIPAL RECEIPT.		8,197	8,197	8,223	8,220		(23)		(23)		8,197			0	307	09/01/2032.	1.
31361W-5F-0.	FNMA POOL #44046		09/25/2008.	PRINCIPAL RECEIPT.		18	18	18	18		0		0		18			0	1	12/01/2014.	1.
31382W-EG-3.	FNMA POOL #494335 6%		09/25/2008.	PRINCIPAL RECEIPT.		6,499	6,499	6,789	6,707		(208)		(208)		6,499			0	262	04/01/2014.	1.
31385H-ZU-5.	FNMA POOL #545387 5.863%		09/25/2008.	PRINCIPAL RECEIPT.		2,326	2,326	2,419	2,412		(86)		(86)		2,326			0	89	01/01/2012.	1.
31385J-O6-8.	FNMA POOL #545977 5.5%		09/25/2008.	PRINCIPAL RECEIPT.		11,580	11,580	12,027	11,875		(295)		(295)		11,580			0	403	09/01/2017.	1.
31385W-TY-5.	FNMA POOL #555067 6.5%		09/25/2008.	PRINCIPAL RECEIPT.		10,054	10,054	10,585	10,435		(381)		(381)		10,054			0	415	12/01/2014.	1.

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31387D-30-0..	FNMA Pool #581407		.09/25/2008.	PRINCIPAL RECEIPT.		.100	.100	.102	.102		(.2)		(.2)		.100			.0	.5	.06/01/2031.	.1.
31403D-A6-6..	FNMA POOL #745329		.09/25/2008.	PRINCIPAL RECEIPT.		.5,670	.5,670	.5,724	.5,723		(53)		(53)		.5,670			.0	.211	.07/01/2035.	.1.
31406V-MU-7..	FNMA POOL #821271		.09/25/2008.	PRINCIPAL RECEIPT.		.98,038	.98,038	.96,456	.96,469		1,569		1,569		.98,038			.0	2,799	.05/01/2035.	.1.
31410G-AR-4..	FNMA POOL #888416		.08/25/2008.	VARIOUS.		.701,285	.722,661	.691,384	.691,489		.704		.704		.692,193		.9,092	.9,092	.25,281	.09/01/2035.	.1.
31410G-TM-5..	FNMA POOL #888956		.09/25/2008.	PRINCIPAL RECEIPT.		.52,347	.52,347	.53,332	.53,334		(.988)		(.988)		.52,347			.0	1,942	.03/01/2036.	.1.
31410K-MG-6..	FNMA POOL #889659		.09/25/2008.	PRINCIPAL RECEIPT.		.12,531	.12,531	.12,062			.469		.469		.12,531			.0	.99	.12/01/2036.	.1.
31374S-6A-4..	FNMA Pool 323165 6.0%		.09/25/2008.	PRINCIPAL RECEIPT.		.3,721	.3,721	.3,887	.3,818		(.96)		(.96)		.3,721			.0	.142	.06/01/2013.	.1.
31364H-AJ-6..	FNMA REMIC STRIP E 1.		.09/25/2008.	PRINCIPAL RECEIPT.		.5,498	.5,498	.5,377	.5,447		.51		.51		.5,498			.0	.436	.09/01/2010.	.1.
31359V-GF-4..	FNMA REMIC TR 1999-1.		.09/25/2008.	PRINCIPAL RECEIPT.		.90,071	.90,071	.93,519	.93,551		(3,480)		(3,480)		.90,071			.0	3,870	.02/25/2029.	.1.
31359W-U5-8..	FNMA REMIC TRUST 1999-51		.09/25/2008.	PRINCIPAL RECEIPT.		.98,738	.98,738	.101,453			(2,715)		(2,715)		.98,738			.0	.873	.08/25/2029.	.1.
31392A-JW-9..	FNMA REMIC TRUST 2001-50		.09/25/2008.	PRINCIPAL RECEIPT.		.15,586	.15,586	.16,481	.16,115		(.529)		(.529)		.15,586			.0	.706	.10/25/2041.	.1.
31394C-3N-0..	FNMA REMIC TRUST 2005-23		.09/25/2008.	PRINCIPAL RECEIPT.		.135,185	.135,185	.134,298	.134,246		.939		.939		.135,185			.0	4,946	.10/25/2032.	.1.
31395N-U4-7..	FNMA REMIC TRUST 2006-59		.09/25/2008.	PRINCIPAL RECEIPT.		.508,332	.508,332	.510,874			(2,542)		(2,542)		.508,332			.0	.16,289	.02/25/2029.	.1.
31395B-5P-4..	FNMA REMIC TRUST 2006-W1		.09/25/2008.	PRINCIPAL RECEIPT.		.224,066	.224,066	.213,703			10,363		10,363		.224,066			.0	1,532	.02/25/2046.	.1.
31358S-7A-3..	FNMA SERIES 2001-T3		.09/25/2008.	PRINCIPAL RECEIPT.		.3,756	.3,756	.3,849	.3,780		(.24)		(.24)		.3,756			.0	.175	.11/25/2040.	.1.
31392J-AA-7..	FNMA Series 2003-W2		.09/25/2008.	PRINCIPAL RECEIPT.		.6,399	.6,399	.6,771	.6,608		(.209)		(.209)		.6,399			.0	.258	.07/25/2042.	.1.
31392D-7G-1..	FNR 2002-T12 CL A3		.09/25/2008.	PRINCIPAL RECEIPT.		.5,331	.5,331	.5,879	.5,632		(.301)		(.301)		.5,331			.0	.261	.05/25/2042.	.1.
31393A-P9-2..	FNR 2003-W4 CL -W4 7.0%		.09/25/2008.	PRINCIPAL RECEIPT.		.3,407	.3,407	.3,651	.3,555		(.148)		(.148)		.3,407			.0	.143	.10/25/2042.	.1.
38375J-B7-9..	GNMA REMIC TRUST 2007-18		.09/20/2008.	PRINCIPAL RECEIPT.		.172,170	.172,170	.170,771	.170,800		1,370		1,370		.172,170			.0	5,772	.05/20/2035.	.1.
38375J-M9-3..	GNMA REMIC TRUST 2007-27		.09/20/2008.	PRINCIPAL RECEIPT.		.54,559	.54,559	.54,661	.54,660		(.101)		(.101)		.54,559			.0	1,676	.09/20/2036.	.1.
78442G-NU-6..	2005-2		.07/25/2008.	PRINCIPAL RECEIPT.		.53,780	.53,780	.53,421			.359		.359		.53,780			.0	.464	.04/25/2017.	.1.
78443G-AB-1..	SLM STUDENT LOAN TR		.07/25/2008.	PRINCIPAL RECEIPT.		.73,358	.73,358	.73,329	.73,323		.35		.35		.73,358			.0	1,823	.10/25/2016.	.1.
78443H-AB-9..	2006-7		.07/25/2008.	PRINCIPAL RECEIPT.		.38,889	.38,889	.38,725	.38,742		.147		.147		.38,889			.0	1,009	.10/25/2016.	.1.
78442G-SB-3..	SLM STUDNET LOAN TR		.07/25/2008.	PRINCIPAL RECEIPT.		.4,819	.4,819	.4,789			.31		.31		.4,819			.0	.36	.04/25/2017.	.1.
3199999 -	Bonds - Special Revenues					10,493,982	10,587,570	10,427,248	8,069,763	0	(286,975)	0	(286,975)	0	10,012,783	0	481,199	481,199	287,057	XXX	XXX
018490-AK-8..	ALLERGAN INC		.09/25/2008.	VARIOUS.		.381,679	.380,000	.382,850	.382,000		(.321)		(.321)		.381,679			.0	2,850	.04/01/2026.	.1FE.
035229-DC-4..	ANHEUSER BUSCH COS INC		.07/14/2008.	VARIOUS.		1,880,800	2,000,000	1,871,800			.15		.15		1,871,815		8,985	.8,985	.48,733	.09/01/2037.	.1FE.
039483-AY-8..	ARCHER DANIELS MIDLAND CO.		.07/18/2008.	VARIOUS.		2,892,750	3,000,000	2,912,790			.430		.430		2,913,220		(20,470)	(20,470)	.63,129	.03/15/2018.	.1FE.
046353-AC-2..	ASTRAZENECA PLC		.08/08/2008.	VARIOUS.		2,061,860	2,000,000	2,074,520	2,073,204		(8,542)		(8,542)		2,064,661		(2,801)	(2,801)	.99,300	.09/15/2012.	.1FE.
05948X-TD-3..	BA MTG SECS INC 2003-H.		.09/25/2008.	PRINCIPAL RECEIPT.		.17,116	.17,116	.15,062			2,054		2,054		.17,116			.0	.386	.09/25/2033.	.1FE.
05949C-CA-2..	BA MTG SECS INC 2005-F.		.09/25/2008.	PRINCIPAL RECEIPT.		.50,371	.50,371	.45,334			5,037		5,037		.50,371			.0	1,037	.07/25/2035.	.1FE.
06051G-DX-4..	BANK AMER FDG CORP.		.07/02/2008.	VARIOUS.		.27,866	.30,000	.29,840			.2		.2		.29,841		(.1,976)	(.1,976)	.311	.05/01/2018.	.1FE.
060505-CK-8..	BANK OF AMERICA CORPORATION		.07/11/2008.	VARIOUS.		.125,945	.125,000	.124,339	.124,413		.78		.78		.124,492		1,453	.1,453	.6,084	.08/15/2011.	.1FE.
060505-DT-8..	BANK OF AMERICA CORPORATION		.07/02/2008.	VARIOUS.		.236,250	.250,000	.254,125			(.5)		(.5)		.254,120		(.17,870)	(.17,870)	.3,837	.12/29/2099.	.1FE.
073902-CE-6..	BEAR STEARNS COS INC.		.07/15/2008.	VARIOUS.		.988,900	1,000,000	.988,210			.289		.289		.988,499		.401	.401	.10,000	.10/28/2010.	.1FE.
075811-AC-3..	BECKMAN COULTER INC.		.07/24/2008.	VARIOUS.		.169,313	.150,000	.150,000	.150,000		.0		.0		.150,000		.19,313	.2,333	.19,313	.12/15/2036.	.2FE.
12189P-AG-7..	BURLINGTON NORTHERN		.07/15/2008.	Sink PMT @ 100.0000000.		.7,882	.7,882	.7,882	.7,882		.0		.0		.7,882			.0	.650	.01/15/2021.	.1FE.
161505-DK-5..	SANTA FE 8.25%		.09/17/2008.	PRINCIPAL RECEIPT.		.2,353	.2,353	.2,370			(.18)		(.18)		.2,353			.0	.37	.01/15/2032.	.1FE.
161630-AQ-1..	CHASE COMM MTG SECS 99-2		.09/17/2008.	CHASE MORTGAGE FIN TR																	
208251-AE-8..	2007-A1.		.09/25/2008.	PRINCIPAL RECEIPT.		.112,847	.112,847	.109,884			2,962		2,962		.112,847			.0	.613	.02/25/2037.	.1FE.
225458-UE-6..	CONOCO INC.		.07/18/2008.	VARIOUS.		3,234,810	3,000,000	3,307,635			(.517)		(.517)		3,307,118		(.72,308)	(.72,308)	.56,758	.04/15/2029.	.1FE.
126410-LM-9..	CSFB MTG PTC 2005-5.		.09/25/2008.	PRINCIPAL RECEIPT.		.35,446	.35,446	.35,856	.35,885		(.439)		(.439)		.35,446			.0	1,462	.07/25/2035.	.1FE.
12667G-UG-6..	CSX TRANS INC 2007-1.		.07/15/2008.	PRINCIPAL RECEIPT.		.3,803	.3,803	.3,803	.3,803		.0		.0		.3,803			.0		.01/15/2023.	.1FE.
12668A-N2-7..	CWALT INC 2005-29CB.		.09/25/2008.	PRINCIPAL RECEIPT.		.5,925	.5,925	.4,696			1,230		1,230		.5,925			.0		.07/25/2035.	.1FE.
12668A-H7-3..	CWALT INC 2005-69.		.09/25/2008.	PRINCIPAL RECEIPT.		.1,122	.1,122	.785			.337		.337		.1,122			.0	.5	.12/25/2035.	.1FE.
02146T-AA-5..	CWALT INC 2005-71.		.09/25/2008.	PRINCIPAL RECEIPT.		.72,171	.72,171	.40,543	.72,594		(.5)		(.5)		.40,543			.0	.2,575	.01/25/2036.	.1FE.
02148Y-AC-8..	CWALT INC 2006-24CB.		.09/25/2008.	PRINCIPAL RECEIPT.		.18,646	.18,646	.18,259			.388	32,046	(32,051)		.18,646		31,628	.31,628	.2,655	.08/25/2036.	.1FE.
12668B-UA-9..	CWALT INC 2006-42.		.09/25/2008.	PRINCIPAL RECEIPT.		.201,847	.201,847	.185,195			.16,652		.16,652		.201,847			.0	2,018	.01/25/2047.	.1FE.
02151A-AJ-9..	CWALT INC 2006-6CB.		.09/25/2008.	PRINCIPAL RECEIPT.		.22,508	.22,508	.21,615			.893		.893		.22,508			.0	.518	.05/25/2036.	.1FE.
	CWALT INC 2007-19.		.09/25/2008.	PRINCIPAL RECEIPT.		.42,716	.42,716	.27,124			.15,591		.15,591		.42,716			.0	1,070	.08/25/2037.	.1FE.

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
02149V-AU-3..	CWALT INC 2007-3T1.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..116,483	..116,483	..110,368			..6,115		..6,115		..116,483			..0	..2,096	..03/25/2027..	..1FE..
02147L-AL-7..	CWALT INC RESECURE 2006-22R.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..277,280	..277,280	..269,689			..7,591		..7,591		..277,280			..0	..4,093	..05/25/2036..	..1FE..
126694-HM-3..	CWBS INC 2005-25.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..12,934	..12,934	..12,837			..97		..97		..12,934			..0	..297	..11/25/2035..	..1FE..
263534-BT-5..	DU PONT E I DE NEMOURS & CO.....		..07/23/2008..	VARIOUS.....		..1,000,320	..1,000,000	..999,580					..0		..999,580		..740	..740		..07/15/2018..	..1FE..
292505-AF-1..	ENCANA CORP.....		..08/05/2008..	VARIOUS.....		..34,397	..35,000	..34,940	..34,940		..3		..3		..34,943		..(546)	..(546)	..1,400	..12/01/2017..	..1FE..
31331F-AX-9..	FEDERAL EXPRESS 6.72%.....		..07/15/2008..	Sink PMT @ 100.0000000.....		..1,148	..1,148	..1,150			..(1)		..(1)		..1,148			..0	..39	..01/15/2022..	..1FE..
31331F-BA-8..	FEDERAL EXPRESS 7.65%.....		..07/15/2008..	Morgan Stanley.....		..1,997	..1,997	..1,997	..1,997				..0		..1,997			..0	..153	..07/15/2024..	..1FE..
32051G-XQ-3..	FIRST HORIZON MTG TR.....		..09/25/2008..	2005-AR5.....		..7,172	..7,172	..6,455			..717		..717		..7,172			..0	..136	..11/25/2035..	..1FE..
337378-AB-9..	FIRST UNION 1999-C4.....		..09/15/2008..	PRINCIPAL RECEIPT.....		..5,339	..5,339	..5,407			..(68)		..(68)		..5,339			..0	..85	..12/15/2031..	..1FE..
361849-KN-1..	GMAC COML MTG SECS 2000-C1.....		..09/15/2008..	PRINCIPAL RECEIPT.....		..2,143	..2,143	..2,193			..(50)		..(50)		..2,143			..0	..36	..03/15/2033..	..1FE..
362341-LC-1..	GSR MTG TR 2005-AR5.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..20,185	..20,185	..19,508			..677		..677		..20,185			..0	..255	..10/25/2035..	..1FE..
362341-RT-8..	GSR MTG TR 2005-ARG.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..18,660	..18,660	..18,437	..18,431		..229		..229		..18,660			..0	..578	..09/25/2035..	..1FE..
41162D-AF-6..	HARBORVIEW MTG LN TR.....		..09/19/2008..	2006-12.....		..2,261	..2,261	..1,656			..605		..605		..2,261			..0	..7	..12/19/2036..	..1FE..
42217K-AP-1..	HEALTH CARE REIT INC.....		..09/24/2008..	VARIOUS.....		..109,000	..100,000	..102,793			..(65)		..(65)		..102,728		..6,272	..6,272	..3,932	..12/01/2026..	..2FE..
459902-AN-2..	INTERNATIONAL GAME TECHNOLOGY.....		..07/23/2008..	VARIOUS.....		..634,013	..660,000	..658,988	..659,004		..12		..12		..659,016		..(25,004)	..(25,004)	..10,630	..12/15/2036..	..2FE..
46627W-AU-1..	JP MORGAN ALT LN TR.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..92,570	..92,570	..69,428			..23,143		..23,143		..92,570			..0	..668	..12/25/2035..	..1FE..
46625H-GY-0..	2005-S1.....		..07/08/2008..	VARIOUS.....		..29,227	..30,000	..31,844			..(38)		..(38)		..31,805		..(2,578)	..(2,578)	..1,784	..01/15/2018..	..1FE..
46625H-HA-1..	JP MORGAN CHASE & CO.....		..07/02/2008..	VARIOUS.....		..163,188	..175,000	..176,219					..0		..176,219		..(13,031)	..(13,031)	..2,880	..12/29/2099..	..1FE..
46625H-HF-0..	JP MORGAN CHASE & CO.....		..07/02/2008..	VARIOUS.....		..45,905	..50,000	..49,423			..1		..1		..49,424		..(3,519)	..(3,519)	..409	..05/15/2038..	..1FE..
525170-BL-9..	LEHMAN ABS MTG 2003-1.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..7,814	..7,814	..7,292			..522		..522		..7,814			..0	..126	..12/25/2033..	..1FE..
52517P-4Z-1..	LEHMAN BROS HLDGS INC.....		..08/22/2008..	VARIOUS.....		..69,375	..75,000	..75,000	..75,000				..0		..75,000		..(5,625)	..(5,625)	..2,793	..09/15/2022..	..1FE..
539830-AP-4..	MTN BE.....		..07/08/2008..	LOCKHEED MARTIN CORP.....		..1,281,799	..1,000,000	..1,147,113	..1,138,917		..(1,773)		..(1,773)		..1,137,144		..144,655	..144,655	..664,603	..08/15/2033..	..1FE..
55265K-3R-8..	MASTR ASSET TR 2003-12.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..8,240	..8,240	..8,221			..19		..19		..8,240			..0	..253	..12/25/2033..	..1FE..
55265K-7Q-6..	MASTR ASSET TR 2004-3.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..6,934	..6,934	..6,741			..188		..188		..6,934			..0	..217	..03/25/2019..	..1FE..
58013W-EF-7..	MCDONALDS CORP MED TERM NT BE.....		..07/10/2008..	VARIOUS.....		..1,990,240	..2,000,000	..1,963,180			..43		..43		..1,963,223		..27,017	..27,017	..47,250	..03/01/2038..	..1FE..
585055-AL-0..	NT BE.....		..07/24/2008..	VARIOUS.....		..162,281	..150,000	..156,563	..154,937		..(841)		..(841)		..154,096		..8,185	..8,185	..1,775	..04/15/2011..	..1FE..
60871R-AA-8..	MEDTRONIC INC.....		..07/23/2008..	VARIOUS.....		..185,250	..150,000	..183,750	..183,405		..(3,472)		..(3,472)		..179,934		..5,316	..5,316	..3,729	..07/30/2013..	..2FE..
617446-6Q-7..	WOLSON COORS BREWING CO.....		..07/02/2008..	VARIOUS.....		..141,827	..150,000	..155,739			..(102)		..(102)		..155,637		..(13,810)	..(13,810)	..2,678	..04/01/2018..	..1FE..
617446-H5-1..	MORGAN STANLEY.....		..07/02/2008..	VARIOUS.....		..66,491	..75,000	..70,963	..71,128		..157		..157		..71,284		..(4,793)	..(4,793)	..2,902	..04/27/2017..	..1FE..
71644E-AJ-1..	MORGAN STANLEY.....		..08/13/2008..	VARIOUS.....		..70,754	..75,000	..74,838					..0		..74,838		..(4,084)	..(4,084)	..1,318	..05/15/2038..	..2FE..
718282-AA-4..	PETRO-CD A.....		..09/29/2008..	VARIOUS.....		..19,048	..19,214	..19,206			..(8)		..(8)		..19,197		..(150)	..(150)	..1,029	..09/26/2018..	..1FE..
744320-AG-7..	PHILIPPINE PWR TR I.....		..07/24/2008..	VARIOUS.....		..1,345,781	..1,375,000	..1,423,504	..1,422,859		..(1,685)		..(1,685)		..1,421,174		..(75,393)	..(75,393)	..11,952	..12/12/2036..	..1FE..
744448-BZ-3..	PRUDENTIAL FINL INC.....		..08/06/2008..	VARIOUS.....		..24,758	..25,000	..24,795			..1		..1		..24,797		..(39)	..(39)	..1,545	..09/01/2037..	..1FE..
74958V-AA-6..	PUBLIC SERVICE CO COLO.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..8,029	..8,029	..8,062			..(33)		..(33)		..8,029			..0	..217	..10/25/2037..	..1FE..
806857-AD-0..	SCHLUMBERGER LTD.....		..07/24/2008..	VARIOUS.....		..372,983	..150,000	..164,469	..158,276		..(1,937)		..(1,937)		..156,339		..216,643	..216,643	..2,107	..06/01/2023..	..1FE..
852060-AD-4..	SPRINT CAP CORP.....		..08/28/2008..	VARIOUS.....		..16,950	..20,000	..19,284	..19,286		..10		..10		..19,296		..(2,346)	..(2,346)	..1,100	..11/15/2028..	..3FE..
86361J-AN-0..	STRUCTURED ADJ RATE.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..12,830	..12,830	..10,127	..12,846		..(1)	..2,718	..(2,719)		..10,127		..2,703	..2,703	..477	..09/25/2036..	..1FE..
88163V-AE-9..	2006-8.....		..07/23/2008..	VARIOUS.....		..244,988	..235,000	..248,513			..(408)		..(408)		..248,105		..(3,117)	..(3,117)	..583	..02/01/2026..	..2FE..
90261X-FA-5..	TEVA PHARMACEUTICAL FIN LLC.....		..07/02/2008..	VARIOUS.....		..95,880	..100,000	..99,378			..9		..9		..99,387		..(3,507)	..(3,507)	..1,166	..04/25/2018..	..1FE..
90783W-AA-1..	UNION PAC RR CO.....		..07/15/2008..	PRINCIPAL RECEIPT.....		..1,389	..1,389	..1,389	..1,389				..0		..1,389			..0	..81	..07/02/2030..	..1FE..
907833-AH-0..	5.866% 7/02/.....		..07/02/2008..	Morgan Stanley.....		..1,878	..1,878	..1,878	..1,878				..0		..1,878			..0	..146	..01/02/2020..	..1FE..
90783S-AA-0..	UNION PACIFIC RR COMPANY 2003-1.....		..07/15/2008..	Principal Receipt.....		..823	..823	..783	..789		..1		..1		..789		..33	..33	..39	..01/02/2024..	..1FE..
92344G-AM-8..	VERIZON GLOBAL FUNDING CORP. 7.75%.....		..07/09/2008..	VARIOUS.....		..1,064,000	..1,000,000	..1,074,330			..(370)		..(370)		..1,073,960		..(9,960)	..(9,960)	..48,007	..12/01/2030..	..1FE..
929903-DT-6..	WACHOVIA CORP NEW.....		..07/02/2008..	VARIOUS.....		..91,353	..100,000	..99,577	..99,595		..16		..16		..99,611		..(8,258)	..(8,258)	..3,242	..06/15/2017..	..1FE..
931142-OK-7..	WAL MART STORES INC.....		..07/08/2008..	VARIOUS.....		..2,531,675	..2,500,000	..2,551,275			..(21)		..(21)		..2,551,254		..(19,579)	..(19,579)	..65,903	..08/15/2037..	..1FE..
92922F-DE-5..	WAMU MTG CERT 2003-S8.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..10,149	..10,149	..10,201			..(52)		..(52)		..10,149			..0	..251	..09/25/2018..	..1FE..
92922F-W2-0..	WAMU MTG CERT 2005-AR10.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..26,530	..26,530	..25,491			..1,039		..1,039		..26,530			..0	..346	..09/25/2035..	..1FE..
93363N-AF-2..	WAMU MTG CERT 2006-AR12.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..11,585	..11,585	..10,673			..912		..912		..11,585			..0	..226	..10/25/2036..	..1FE..
92925G-AA-1..	WAMU MTG CERT 2006-AR16.....		..07/25/2008..	PRINCIPAL RECEIPT.....		..40,301	..40,301	..40,364	..40,355		..(53)		..(53)		..40,301			..0	..944	..12/25/2036..	..1FE..
93935P-AP-4..	WAMU PTC WWALT 2007-1.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..2,313	..2,313	..2,154			..159		..159		..2,313			..0	..57	..01/25/2022..	..1FE..
947075-AE-7..	WEATHERFORD INTL LTD.....		..08/05/2008..	VARIOUS.....		..99,546	..100,000	..99,655			..1		..1		..99,656		..(110)	..(110)	..2,586	..03/15/2038..	..2FE..

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter																					
1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
949809-AA-5..	WELLS FARGO MBS 2004-3.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..12,752	..12,752	..12,356			..397		..397		..12,752			..0	..237	..04/25/2019..	..1FE..
94982P-AA-7..	WELLS FARGO MBS 2005-AR7.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..51,996	..51,996	..51,476	..51,483		..513		..513		..51,996			..0	..1,827	..05/25/2035..	..1FE..
94983B-AA-7..	WELLS FARGO MBS 2006-4.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..3,678	..3,678	..3,607			..70		..70		..3,678			..0	..59	..04/25/2036..	..1FE..
94980S-AQ-8..	WELLS FARGO MBS 2006-9.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..80,740	..80,740	..77,561			..3,179		..3,179		..80,740			..0	..1,757	..08/25/2036..	..1FE..
94985W-DN-8..	WELLS FARGO MBS 2007-11.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..5,304	..5,304	..5,175	..5,181		..124		..124		..5,304			..0	..206	..08/25/2037..	..1FE..
94984X-AQ-3..	WELLS FARGO MBS 2007-2.....		..07/18/2008..	VARIOUS.....		..492,320	..544,000	..484,160			..0		..0		..484,160		..8,160	..8,160	..1,912	..03/25/2037..	..1FE..
94985T-AA-6..	WELLS FARGO MBS 2007-3.....		..09/25/2008..	PRINCIPAL RECEIPT.....		..24,389	..24,389	..18,652			..5,738		..5,738		..24,389			..0	..56	..04/25/2037..	..1FE..
98372P-AG-3..	XL CAP LTD.....		..07/09/2008..	VARIOUS.....		..736,250	..1,000,000	..960,110	..961,972		..649		..649		..962,621		..(226,371)	..(226,371)	..42,323	..11/15/2024..	..2FE..
4599999 - Bonds - Industrial and Miscellaneous						26,590,369	26,298,647	26,585,040	8,014,196	0	78,067	34,764	43,303	0	26,646,109	0	(55,740)	(55,740)	1,251,575	XXX	XXX
6099997 - Bonds - Part 4						249,545,008	241,676,212	245,932,939	63,913,147	0	(245,572)	34,764	(280,337)	0	245,576,580	0	3,968,428	3,968,428	5,577,516	XXX	XXX
6099999 - Total - Bonds						249,545,008	241,676,212	245,932,939	63,913,147	0	(245,572)	34,764	(280,337)	0	245,576,580	0	3,968,428	3,968,428	5,577,516	XXX	XXX
806605-70-5..	SCHERING PLOUGH CORP.....		..07/02/2008..	VARIOUS.....	6,000.000	1,129,689		919,080	1,262,612	109,769		606,037	(496,268)		919,080		210,609	210,609	42,000		P2LFE..
6399999 - Preferred Stocks - Industrial and Miscellaneous						1,129,689	XXX	919,080	1,262,612	109,769	0	606,037	(496,268)	0	919,080	0	210,609	210,609	42,000	XXX	XXX
6599997 - Preferred Stocks - Part 4						1,129,689	XXX	919,080	1,262,612	109,769	0	606,037	(496,268)	0	919,080	0	210,609	210,609	42,000	XXX	XXX
6599999 - Total - Preferred Stocks						1,129,689	XXX	919,080	1,262,612	109,769	0	606,037	(496,268)	0	919,080	0	210,609	210,609	42,000	XXX	XXX
025932-10-4..	OHIO COM.....		..07/15/2008..	VARIOUS.....	2,191.000	56,142		66,102					0		66,102		(9,961)	(9,961)	274		L.....
539830-10-9..	LOCKHEED MARTIN CORP.....		..09/09/2008..	VARIOUS.....	3,196.576	379,176		752,864					0		752,864		(373,688)	(373,688)	1,343		L.....
6899999 - Common Stocks - Industrial and Miscellaneous						435,318	XXX	818,967	0	0	0	0	0	0	818,967	0	(383,649)	(383,649)	1,616	XXX	XXX
7299997 - Common Stocks - Part 4						435,318	XXX	818,967	0	0	0	0	0	0	818,967	0	(383,649)	(383,649)	1,616	XXX	XXX
7299999 - Total - Common Stocks						435,318	XXX	818,967	0	0	0	0	0	0	818,967	0	(383,649)	(383,649)	1,616	XXX	XXX
7399999 - Total - Preferred and Common Stocks						1,565,007	XXX	1,738,047	1,262,612	109,769	0	606,037	(496,268)	0	1,738,047	0	(173,040)	(173,040)	43,616	XXX	XXX
7499999 Totals						251,110,015	XXX	247,670,986	65,175,759	109,769	(245,572)	640,801	(776,605)	0	247,314,627	0	3,795,388	3,795,388	5,621,132	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

STATEMENT AS OF SEPTEMBER 30, 2008 OF THE CareFirst BlueChoice, Inc.

SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2 - Cash Equivalents

NONE